

SENATE BILL No. 239

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-31; IC 4-33; IC 4-35; IC 35-45-5.

Synopsis: Slot machines. Requires that live horse racing be conducted at least 160 days each year at a permit holder's racetrack. Terminates payments from the riverboat admissions and wagering taxes to the horse racing commission after June 30, 2007. Authorizes 500 slot machines for each racetrack and each satellite facility. Imposes an annual license fee equal to \$100 per slot machine. Provides that a permit holder who is issued a license to offer slot machines forfeits the privilege of opening a satellite facility that is otherwise permitted by statute.

Effective: July 1, 2006.

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January 9, 2006, read first time and referred to Committee on Rules and Legislative Procedure.

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Introduced

Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

SENATE BILL No. 239

A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-31-2-10.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2006]: **Sec. 10.5. "Live racing day" means a day on which at least**
4 **eight (8) live horse races are conducted.**

5 SECTION 2. IC 4-31-2-20.7 IS ADDED TO THE INDIANA CODE
6 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
7 1, 2006]: **Sec. 20.7. "Slot machine" has the meaning set forth in**
8 **IC 4-35-2-8.**

9 SECTION 3. IC 4-31-4-2 IS AMENDED TO READ AS FOLLOWS
10 [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) A county fiscal body may
11 adopt an ordinance permitting the filing of applications under
12 IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks
13 in the county. However, before adopting the ordinance, the county
14 fiscal body must:

15 (1) conduct a public hearing on the proposed ordinance; and
16 (2) publish notice of the public hearing in the manner prescribed
17 by IC 5-3-1.

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(b) The county fiscal body may:

- (1) require in the ordinance adopted by the county fiscal body that before applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter; or
- (2) amend an ordinance already adopted by the county fiscal body to require that before applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter.

An ordinance adopted under this section may not be amended to apply to a person who has already been issued a permit under IC 4-31-5 before amendment of the ordinance.

(c) An ordinance adopted under this section authorizing a person to conduct pari-mutuel wagering on horse races at racetracks in the county may not be adopted or amended in a manner that restricts a person's ability to conduct gambling games under IC 4-35. An ordinance adopted by the county fiscal body permitting slot machines in the county is not a prerequisite for the lawful operation of slot machines under IC 4-35.

SECTION 4. IC 4-31-5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 9. (a) The commission shall determine the dates ~~and the number~~ of racing days authorized under each recognized meeting permit. Except for racing at winterized tracks, a recognized meeting may not be conducted after December 10 of a calendar year.

(b) The commission shall require at least one hundred sixty (160) live racing days each calendar year at the racetrack designated in a permit holder's permit, as follows:

- (1) One hundred (100) live racing days must be for standardbreds.**
- (2) Sixty (60) live racing days must be for horses that are:**
 - (A) mounted by jockeys; and**
 - (B) run on a course without jumps or obstacles.**

The requirements of this subsection are a continuing condition for maintaining the permit holder's permit. However, the requirements do not apply if the commission determines that the permit holder is prevented from conducting live horse racing as a result of a natural disaster or another event over which the permit holder has no control.

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SECTION 5. IC 4-31-7-1 IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2006]: Sec. 1. (a) A person holding a permit to
conduct a horse racing meeting or a license to operate a satellite facility
may provide a place in the racing meeting grounds or enclosure or the
satellite facility at which the person may conduct and supervise the
pari-mutuel system of wagering by patrons of legal age on the horse
races conducted or simulcast by the person. The person may not permit
or use:

(1) another place other than that provided and designated by the
person; or

(2) another method or system of betting or wagering.

**However, a permit holder licensed to conduct gambling games
under IC 4-35 may permit wagering on slot machines at a
racetrack or at a satellite facility as permitted by IC 4-35.**

(b) Except as provided in section 7 of this chapter and IC 4-31-5.5,
the pari-mutuel system of wagering may not be conducted on any races
except the races at the racetrack, grounds, or enclosure for which the
person holds a permit.

SECTION 6. IC 4-31-7-2 IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2006]: Sec. 2. (a) A person less than eighteen
(18) years of age may not wager at a horse racing meeting.

(b) A person less than ~~seventeen (17)~~ **eighteen (18)** years of age
may not enter the grandstand, clubhouse, or similar areas of a racetrack
at which wagering is permitted unless accompanied by a person who
is at least twenty-one (21) years of age.

(c) A person less than eighteen (18) years of age may not enter a
satellite facility.

**(d) Except as provided by IC 4-35-7-2, a person less than
twenty-one (21) years of age may not enter the part of a racetrack
or a satellite facility in which gambling games are conducted under
IC 4-35.**

SECTION 7. IC 4-31-9-1 IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2006]: Sec. 1. A person that holds a permit to
conduct a horse racing meeting or a license to operate a satellite facility
shall withhold:

(1) eighteen percent (18%) of the total of money wagered on each
day at the racetrack or satellite facility (including money wagered
on exotic wagering pools, **but excluding money wagered on slot
machines under IC 4-35**); plus

(2) an additional three and one-half percent (3.5%) of the total of
all money wagered on exotic wagering pools on each day at the
racetrack or satellite facility.

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SECTION 8. IC 4-33-12-6, AS AMENDED BY P.L.4-2005, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

(b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7, the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 during the quarter shall be paid to:

(A) the city in which the riverboat is docked, if the city:

(i) is located in a county having a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000); or

(ii) is contiguous to the Ohio River and is the largest city in the county; and

(B) the county in which the riverboat is docked, if the riverboat is not docked in a city described in clause (A).

(2) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked. In the case of a county described in subdivision (1)(B), this one dollar (\$1) is in addition to the one dollar (\$1) received under subdivision (1)(B).

(3) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission, for use in any activity

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that the commission is authorized to carry out under IC 15-1.5-3.

(5) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(6) Except as provided in subsection (k) **and section 7 of this chapter**, sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.

(c) With respect to tax revenue collected from a riverboat located in a historic hotel district, the treasurer of state shall quarterly pay the following amounts:

(1) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide

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for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(2) Sixteen percent (16%) of the admissions tax collected during the quarter shall be paid in equal amounts to each town that:

(A) is located in the county in which the riverboat docks; and

(B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.

(3) Nine percent (9%) of the admissions tax collected during the quarter shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Twenty-five percent (25%) of the admissions tax collected

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during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

(5) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the Indiana economic development corporation to be used by the corporation for the development and implementation of a regional economic development strategy to assist the residents of the county in which the riverboat is located and residents of contiguous counties in improving their quality of life and to help promote successful and sustainable communities. The regional economic development strategy must include goals concerning the following issues:

(A) Job creation and retention.

(B) Infrastructure, including water, wastewater, and storm water infrastructure needs.

(C) Housing.

(D) Workforce training.

(E) Health care.

(F) Local planning.

(G) Land use.

(H) Assistance to regional economic development groups.

(I) Other regional development issues as determined by the Indiana economic development corporation.

(d) With respect to tax revenue collected from a riverboat that operates from a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21; shall be paid to the city in which the riverboat is docked.

(2) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21; shall be paid to the county in which the riverboat is docked.

(3) Except as provided in subsection (k), nine cents (\$0.09) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

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(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), one cent (\$0.01) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the northwest Indiana law enforcement training center.

(5) Except as provided in subsection (k), fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(6) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(7) Except as provided in subsection (k) **and section 7 of this chapter**, sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and

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1 routine operations of the racetrack. No grants shall be made
 2 for long term capital investment or construction, and no grants
 3 shall be made before the racetrack becomes operational and is
 4 offering a racing schedule.

5 (e) Money paid to a unit of local government under subsection
 6 (b)(1) through (b)(2), (c)(1) through (c)(2), or (d)(1) through (d)(2):

7 (1) must be paid to the fiscal officer of the unit and may be
 8 deposited in the unit's general fund or riverboat fund established
 9 under IC 36-1-8-9, or both;

10 (2) may not be used to reduce the unit's maximum levy under
 11 IC 6-1.1-18.5 but may be used at the discretion of the unit to
 12 reduce the property tax levy of the unit for a particular year;

13 (3) may be used for any legal or corporate purpose of the unit,
 14 including the pledge of money to bonds, leases, or other
 15 obligations under IC 5-1-14-4; and

16 (4) is considered miscellaneous revenue.

17 (f) Money paid by the treasurer of state under subsection (b)(3) or
 18 (d)(3) shall be:

19 (1) deposited in:

20 (A) the county convention and visitor promotion fund; or

21 (B) the county's general fund if the county does not have a
 22 convention and visitor promotion fund; and

23 (2) used only for the tourism promotion, advertising, and
 24 economic development activities of the county and community.

25 (g) Money received by the division of mental health and addiction
 26 under subsections (b)(5) and (d)(6):

27 (1) is annually appropriated to the division of mental health and
 28 addiction;

29 (2) shall be distributed to the division of mental health and
 30 addiction at times during each state fiscal year determined by the
 31 budget agency; and

32 (3) shall be used by the division of mental health and addiction
 33 for programs and facilities for the prevention and treatment of
 34 addictions to drugs, alcohol, and compulsive gambling, including
 35 the creation and maintenance of a toll free telephone line to
 36 provide the public with information about these addictions. The
 37 division shall allocate at least twenty-five percent (25%) of the
 38 money received to the prevention and treatment of compulsive
 39 gambling.

40 (h) This subsection applies to the following:

41 (1) Each entity receiving money under subsection (b).

42 (2) Each entity receiving money under subsection (d)(1) through

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1 (d)(2).

2 (3) Each entity receiving money under subsection (d)(5) through
3 (d)(7).

4 The treasurer of state shall determine the total amount of money paid
5 by the treasurer of state to an entity subject to this subsection during
6 the state fiscal year 2002. The amount determined under this subsection
7 is the base year revenue for each entity subject to this subsection. The
8 treasurer of state shall certify the base year revenue determined under
9 this subsection to each entity subject to this subsection.

10 (i) This subsection applies to an entity receiving money under
11 subsection (d)(3) or (d)(4). The treasurer of state shall determine the
12 total amount of money paid by the treasurer of state to the entity
13 described in subsection (d)(3) during state fiscal year 2002. The
14 amount determined under this subsection multiplied by nine-tenths
15 (0.9) is the base year revenue for the entity described in subsection
16 (d)(3). The amount determined under this subsection multiplied by
17 one-tenth (0.1) is the base year revenue for the entity described in
18 subsection (d)(4). The treasurer of state shall certify the base year
19 revenue determined under this subsection to each entity subject to this
20 subsection.

21 (j) This subsection does not apply to an entity receiving money
22 under subsection (c). For state fiscal years beginning after June 30,
23 2002, the total amount of money distributed to an entity under this
24 section during a state fiscal year may not exceed the entity's base year
25 revenue as determined under subsection (h) or (i). If the treasurer of
26 state determines that the total amount of money distributed to an entity
27 under this section during a state fiscal year is less than the entity's base
28 year revenue, the treasurer of state shall make a supplemental
29 distribution to the entity under IC 4-33-13-5(g).

30 (k) This subsection does not apply to an entity receiving money
31 under subsection (c). For state fiscal years beginning after June 30,
32 2002, the treasurer of state shall pay that part of the riverboat
33 admissions taxes that:

34 (1) ~~exceed~~ **exceeds** a particular entity's base year revenue; and

35 (2) would otherwise be due to the entity under this section;
36 to the property tax replacement fund instead of to the entity.

37 SECTION 9. IC 4-33-12-7 IS ADDED TO THE INDIANA CODE
38 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
39 1, 2006]: **Sec. 7. For a state fiscal year beginning after June 30,**
40 **2007, the Indiana horse racing commission is not entitled to a**
41 **distribution of admissions taxes collected under this chapter. After**
42 **June 30, 2007, the treasurer of state shall pay the total amount of**

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admissions taxes specified in:

(1) section 6(b)(6) of this chapter; and

(2) section 6(d)(7) of this chapter;

to the state general fund instead of to the Indiana horse racing commission.

SECTION 10. IC 4-33-13-5, AS AMENDED BY P.L.246-2005, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 5. (a) This subsection does not apply to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter to the following:

(1) The first thirty-three million dollars (\$33,000,000) of tax revenues collected under this chapter shall be set aside for revenue sharing under subsection (e).

(2) Subject to subsection (c), twenty-five percent (25%) of the remaining tax revenue remitted by each licensed owner shall be paid:

(A) to the city that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of:

(i) a city described in IC 4-33-12-6(b)(1)(A); or

(ii) a city located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); or

(B) to the county that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of a riverboat whose home dock is not in a city described in clause (A).

(3) Subject to subsection (d), the remainder of the tax revenue remitted by each licensed owner shall be paid to the property tax replacement fund. In each state fiscal year, the treasurer of state shall make the transfer required by this subdivision not later than the last business day of the month in which the tax revenue is remitted to the state for deposit in the state gaming fund. However, if tax revenue is received by the state on the last business day in a month, the treasurer of state may transfer the tax revenue to the property tax replacement fund in the immediately following month.

(b) This subsection applies only to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After

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1 funds are appropriated under section 4 of this chapter, each month the
 2 treasurer of state shall distribute the tax revenue deposited in the state
 3 gaming fund under this chapter as follows:

4 (1) Thirty-seven and one-half percent (37.5%) shall be paid to the
 5 property tax replacement fund established under IC 6-1.1-21.

6 (2) Thirty-seven and one-half percent (37.5%) shall be paid to the
 7 West Baden Springs historic hotel preservation and maintenance
 8 fund established by IC 36-7-11.5-11(b). However, at any time the
 9 balance in that fund exceeds twenty million dollars
 10 (\$20,000,000), the amount described in this subdivision shall be
 11 paid to the property tax replacement fund established under
 12 IC 6-1.1-21.

13 (3) Five percent (5%) shall be paid to the historic hotel
 14 preservation commission established under IC 36-7-11.5.

15 (4) Ten percent (10%) shall be paid in equal amounts to each
 16 town that:

- 17 (A) is located in the county in which the riverboat docks; and
- 18 (B) contains a historic hotel.

19 The town council shall appropriate a part of the money received
 20 by the town under this subdivision to the budget of the town's
 21 tourism commission.

22 (5) Ten percent (10%) shall be paid to the county treasurer of the
 23 county in which the riverboat is docked. The county treasurer
 24 shall distribute the money received under this subdivision as
 25 follows:

26 (A) Twenty percent (20%) shall be quarterly distributed to the
 27 county treasurer of a county having a population of more than
 28 thirty-nine thousand six hundred (39,600) but less than forty
 29 thousand (40,000) for appropriation by the county fiscal body
 30 after receiving a recommendation from the county executive.
 31 The county fiscal body for the receiving county shall provide
 32 for the distribution of the money received under this clause to
 33 one (1) or more taxing units (as defined in IC 6-1.1-1-21) in
 34 the county under a formula established by the county fiscal
 35 body after receiving a recommendation from the county
 36 executive.

37 (B) Twenty percent (20%) shall be quarterly distributed to the
 38 county treasurer of a county having a population of more than
 39 ten thousand seven hundred (10,700) but less than twelve
 40 thousand (12,000) for appropriation by the county fiscal body
 41 after receiving a recommendation from the county executive.
 42 The county fiscal body for the receiving county shall provide

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for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(c) For each city and county receiving money under subsection (a)(2), the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year, the treasurer of state shall pay that part of the riverboat wagering taxes that:

- (1) exceeds a particular city's or county's base year revenue; and
- (2) would otherwise be due to the city or county under this section;

to the property tax replacement fund instead of to the city or county.

(d) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the property tax replacement fund under subsection (a)(3) to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars (\$250,000,000):

- (1) Surplus lottery revenues under IC 4-30-17-3.
- (2) Surplus revenue from the charity gaming enforcement fund

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under IC 4-32-10-6.

(3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed to meet the obligations of the build Indiana fund. If in any state fiscal year insufficient money is transferred to the property tax replacement fund under subsection (a)(3) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the property tax replacement fund from the transfers under subsection (a)(3) for the state fiscal year.

(e) Before August 15 of each year, the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under subsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat. Except as provided in subsection (h), the county auditor shall distribute the money received by the county under this subsection as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(f) Money received by a city, town, or county under subsection (e) or (h) may be used for any of the following purposes:

(1) To reduce the property tax levy of the city, town, or county for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5).

(2) For deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for additional credits for property tax replacement in property tax increment allocation areas or debt repayment.

(3) To fund sewer and water projects, including storm water management projects.

(4) For police and fire pensions.

(5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county. Money used under this subdivision does not reduce the property tax levy of the city, town, or county for a particular year or reduce the maximum levy of the city, town, or county under

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1 IC 6-1.1-18.5.

2 (g) This subsection does not apply to an entity receiving money
3 under IC 4-33-12-6(c). Before September 15 of each year, the treasurer
4 of state shall determine the total amount of money distributed to an
5 entity under IC 4-33-12-6 during the preceding state fiscal year. If the
6 treasurer of state determines that the total amount of money distributed
7 to an entity under IC 4-33-12-6 during the preceding state fiscal year
8 was less than the entity's base year revenue (as determined under
9 IC 4-33-12-6), the treasurer of state shall make a supplemental
10 distribution to the entity from taxes collected under this chapter and
11 deposited into the property tax replacement fund. **Except as provided**
12 **in subsection (i),** the amount of ~~the~~ **an entity's** supplemental
13 distribution is equal to:

14 (1) the entity's base year revenue (as determined under
15 IC 4-33-12-6); minus

16 (2) the sum of:

17 (A) the total amount of money distributed to the entity during
18 the preceding state fiscal year under IC 4-33-12-6; plus

19 (B) any amounts deducted under IC 6-3.1-20-7.

20 (h) This subsection applies only to a county containing a
21 consolidated city. The county auditor shall distribute the money
22 received by the county under subsection (e) as follows:

23 (1) To each city, other than a consolidated city, located in the
24 county according to the ratio that the city's population bears to the
25 total population of the county.

26 (2) To each town located in the county according to the ratio that
27 the town's population bears to the total population of the county.

28 (3) After the distributions required in subdivisions (1) and (2) are
29 made, the remainder shall be paid in equal amounts to the
30 consolidated city and the county.

31 **(i) This subsection applies only to the Indiana horse racing**
32 **commission. For a state fiscal year beginning after June 30, 2007,**
33 **the Indiana horse racing commission is not entitled to a**
34 **supplemental distribution under subsection (g).**

35 SECTION 11. IC 4-33-18-9 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 9. (a) Nothing in this
37 chapter may be construed to limit the powers or responsibilities of:

38 (1) the ~~Indiana state~~ lottery commission under IC 4-30;

39 (2) the Indiana horse racing commission under IC 4-31;

40 (3) the department of state revenue under IC 4-32; or

41 (4) the Indiana gaming commission under IC 4-33 **or IC 4-35.**

42 (b) The department may not exercise any administrative or

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regulatory powers with respect to:

- (1) the Indiana lottery under IC 4-30;
- (2) pari-mutuel horse racing under IC 4-31;
- (3) charity gaming under IC 4-32; or
- (4) riverboat casino gambling under IC 4-33; or
- (5) **gambling games conducted at a racetrack (as defined in IC 4-35-2-6) or a satellite facility (as defined in IC 4-35-2-7) under IC 4-35.**

SECTION 12. IC 4-35 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:

ARTICLE 35. GAMBLING GAMES AT RACETRACKS

Chapter 1. Application

Sec. 1. This article applies only to gambling games conducted by a permit holder holding a gambling game license issued under IC 4-35-5.

Chapter 2. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Commission" refers to the Indiana gaming commission established by IC 4-33-3-1.

Sec. 3. "Gambling game" means a game played on a slot machine.

Sec. 4. "Licensee" means a permit holder holding a gambling game license issued under IC 4-35-5.

Sec. 5. "Permit holder" means a person holding a permit issued under IC 4-31-5 to conduct a pari-mutuel horse racing meeting.

Sec. 6. "Racetrack" means the racetrack specified in a permit holder's permit at which the permit holder is authorized to conduct a pari-mutuel horse racing meeting.

Sec. 7. "Satellite facility" has the meaning set forth in IC 4-31-2-20.5.

Sec. 8. "Slot machine" means a type of electronic gaming device approved by the commission as a wagering device for use under this article.

Sec. 9. "Supplier's license" means a license issued under IC 4-35-6.

Chapter 3. General Provisions

Sec. 1. All shipments to licensees in Indiana of slot machines, the registering, recording, and labeling of which have been completed by the manufacturer or dealer in accordance with 15 U.S.C. 1171 through 15 U.S.C. 1178, are legal shipments of gambling devices

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into Indiana.

Sec. 2. Under 15 U.S.C. 1172, approved January 2, 1951, the state of Indiana, acting by and through elected and qualified members of the general assembly, declares that the state is exempt from 15 U.S.C. 1172.

Chapter 4. Powers and Duties of the Indiana Gaming Commission

Sec. 1. The commission shall regulate and administer gambling games conducted by a licensee under this article.

Sec. 2. The commission shall do the following:

(1) Adopt rules that the commission determines are necessary to protect or enhance the following:

(A) The credibility and integrity of gambling games authorized under this article.

(B) The regulatory process provided in this article.

(2) Conduct all hearings concerning civil violations of this article.

(3) Provide for the establishment and collection of license fees imposed under this article, and deposit the license fees in the state general fund.

(4) Levy and collect penalties for noncriminal violations of this article, and deposit the penalties in the state general fund.

(5) Adopt appropriate standards for the design, appearance, aesthetics, and construction of slot machine facilities authorized under this article.

Sec. 3. The commission shall adopt rules under IC 4-22-2 for the following purposes:

(1) Administering this article.

(2) Establishing the conditions under which gambling games at racetracks and satellite facilities may be conducted.

(3) Providing for the prevention of practices detrimental to the public interest.

(4) Establishing rules concerning the inspection of gambling game facilities at racetracks and satellite facilities and the review of the licenses necessary to conduct gambling games under this article.

(5) Imposing penalties for noncriminal violations of this article.

Sec. 4. The commission may enter into a contract with the Indiana horse racing commission for the provision of services necessary to administer this article.

Chapter 5. Gambling Game License

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1 **Sec. 1. (a) The commission may issue a license to a permit holder**
 2 **to conduct gambling games under this article at the following**
 3 **locations:**

4 (1) **The permit holder's racetrack.**

5 (2) **Each satellite facility operated by the permit holder.**

6 (b) **The number of gambling game licenses issued under this**
 7 **chapter may not exceed two (2).**

8 (c) **The number of locations at which gambling games may be**
 9 **conducted under this article may not exceed seven (7).**

10 **Sec. 2. Before issuing a license to a person under this chapter,**
 11 **the commission shall subject the person to a background**
 12 **investigation similar to a background investigation required for an**
 13 **applicant for a riverboat owner's license under IC 4-33-6.**

14 **Sec. 3. (a) A licensee must do the following:**

15 (1) **Forfeit the privilege of opening any satellite facility**
 16 **permitted by IC 4-31-5.5-3 that the licensee has not opened as**
 17 **of January 1, 2006.**

18 (2) **Pay an initial licensing fee in an amount that is equal to the**
 19 **product of:**

20 (A) **one hundred dollars (\$100); multiplied by**

21 (B) **the total number of slot machines that the permit**
 22 **holder will put into service at the permit holder's racetrack**
 23 **and satellite facilities.**

24 **The fee required under this subsection must be paid to the**
 25 **commission before September 1, 2006.**

26 (b) **Before September 1, 2007, and each year thereafter, a**
 27 **licensee must pay an annual fee in an amount that is equal to the**
 28 **product of:**

29 (1) **one hundred dollars (\$100); multiplied by**

30 (2) **the total number of slot machines that are in service at the**
 31 **permit holder's racetrack and satellite facilities as of the**
 32 **immediately preceeding August 1;**

33 **as a condition of licensure under this article.**

34 **Sec. 4. An initial gambling game license expires five (5) years**
 35 **after the effective date of the license. Unless the gambling game**
 36 **license is terminated or revoked, the gambling game license may be**
 37 **renewed annually thereafter upon:**

38 (1) **the payment of the fee required under section 3(b) of this**
 39 **chapter; and**

40 (2) **a determination by the commission that the licensee**
 41 **satisfies the conditions of this chapter.**

42 **Sec. 5. (a) The commission shall conduct a complete**

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1 investigation of each licensee every three (3) years to determine
2 whether the licensee remains in compliance with this article.

3 (b) Notwithstanding subsection (a), the commission may
4 investigate a licensee at any time the commission determines it is
5 necessary to ensure that the licensee remains in compliance with
6 this article.

7 Sec. 6. A permit holder or other person investigated under this
8 chapter shall bear the cost of an investigation under section 5 of
9 this chapter.

10 Sec. 7. (a) A licensee or any other person must apply for and
11 receive the commission's approval before:

12 (1) a gambling game license is:

13 (A) transferred;

14 (B) sold; or

15 (C) purchased; or

16 (2) a voting trust agreement or other similar agreement is
17 established with respect to the gambling game license.

18 (b) The commission shall adopt rules governing the procedure
19 that a licensee or other person must follow to obtain the
20 commission's approval of an action described in subsection (a). The
21 rules must specify that a person who obtains an ownership interest
22 in a gambling game license must meet the criteria of this article
23 and rules adopted by the commission. A licensee may transfer a
24 gambling game license only in accordance with this article and
25 rules adopted by the commission.

26 (c) A licensee or any other person may not:

27 (1) lease;

28 (2) hypothecate; or

29 (3) borrow or loan money against;

30 a gambling game license.

31 (d) A transfer fee is imposed on a person who purchases or
32 otherwise acquires a controlling interest, as determined under the
33 rules of the commission, in a gambling game license previously
34 issued to another person. The fee is two million dollars
35 (\$2,000,000).

36 Sec. 8. The commission shall transfer:

37 (1) fees collected under this chapter; and

38 (2) all investigation costs recovered under this chapter;
39 to the treasurer of state for deposit in the state general fund.

40 Chapter 6. Slot Machine Suppliers

41 Sec. 1. The commission may issue a supplier's license under this
42 chapter to a person if:

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(1) the person has:

(A) applied for the supplier's license;

(B) paid a nonrefundable application fee set by the commission;

(C) paid a five thousand dollar (\$5,000) annual supplier's license fee; and

(D) submitted, on forms provided by the commission, two

(2) sets of:

(i) the individual's fingerprints, if the applicant is an individual; or

(ii) fingerprints for each officer and director of the applicant, if the applicant is not an individual; and

(2) the commission has determined that the applicant is eligible for a supplier's license.

Sec. 2. A person may not receive a supplier's license under this chapter if:

(1) the person has been convicted of a felony under Indiana law, the laws of any other state, or the laws of the United States;

(2) the person has knowingly or intentionally submitted an application for a supplier's license under this chapter that contained false information;

(3) the person is a member of the commission;

(4) the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);

(5) the person employs an individual who:

(A) is described in subdivision (1), (2), or (3); or

(B) participates in the management or operation of gambling operations authorized under this article;

(6) the person owns more than a ten percent (10%) ownership interest in any other person holding a permit issued under IC 4-31; or

(7) a license issued to the person:

(A) under this article;

(B) under IC 4-33-7; or

(C) to supply gaming supplies in another jurisdiction; has been revoked.

Sec. 3. A holder of a supplier's license may:

(1) sell;

(2) lease; or

(3) contract to sell or lease;

a slot machine to a licensee.

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1 **Sec. 4. A person may not furnish slot machines to a licensee**
 2 **unless the person possesses a supplier's license.**

3 **Sec. 5. A slot machine may not be distributed for use under this**
 4 **article unless the slot machine conforms to standards adopted by**
 5 **the commission.**

6 **Sec. 6. (a) A supplier shall furnish to the commission a list of all**
 7 **slot machines that the supplier offers for sale or lease in connection**
 8 **with gambling games authorized under this article.**

9 **(b) A supplier shall keep books and records for the furnishing**
 10 **of slot machines to licensees. The books and records required**
 11 **under this subsection must be kept separate from the books and**
 12 **records of any other business operated by the supplier.**

13 **(c) A supplier shall file a quarterly returns with the commission.**
 14 **Each return filed by a supplier under this subsection must list all**
 15 **of the supplier's sales and leases of the quarter to which the return**
 16 **relates.**

17 **(d) A supplier shall permanently affix the supplier's name to all**
 18 **slot machines that the supplier provides to licensees under this**
 19 **chapter.**

20 **Sec. 7. If the commission determines that a supplier's slot**
 21 **machine has been used by a person in an unauthorized gambling**
 22 **operation, the slot machine shall be forfeited to the state.**

23 **Sec. 8. Slot machines operated under this article may be:**

- 24 **(1) repaired on the premises of a licensee's racetrack or**
 25 **satellite facility; or**
 26 **(2) removed for repair from the racetrack or satellite facility**
 27 **to a facility owned by the licensee.**

28 **Sec. 9. (a) Unless a supplier's license is suspended, expires, or is**
 29 **revoked, the supplier's license may be renewed annually upon:**

- 30 **(1) the payment of a five thousand dollar (\$5,000) annual**
 31 **renewal fee; and**
 32 **(2) a determination by the commission that the holder of the**
 33 **supplier's license is in compliance with this article.**

34 **(b) The commission shall conduct a complete investigation of**
 35 **each holder of a supplier's license every three (3) years to**
 36 **determine whether the holder of the supplier's license is in**
 37 **compliance with this article.**

38 **(c) Notwithstanding subsection (b), the commission may**
 39 **investigate the holder of a supplier's license at any time the**
 40 **commission determines it is necessary to ensure that the holder of**
 41 **the supplier's license is in compliance with this article.**

42 **(d) The holder of a supplier's license shall bear the cost of an**

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1 investigation or a reinvestigation of the licensee and any
2 investigation resulting from a potential transfer of ownership.

3 **Sec. 10. The commission shall transfer:**

4 (1) fees collected under this chapter; and

5 (2) all investigation costs recovered under this chapter;
6 to the treasurer of state for deposit in the state general fund.

7 **Chapter 7. Conduct of Gambling Games**

8 **Sec. 1. Gambling games authorized under this article may not**
9 **be conducted anywhere other than a slot machine facility located**
10 **at a licensee's racetrack or at a licensee's satellite facility.**

11 **Sec. 2. (a) A person who is less than twenty-one (21) years of age**
12 **may not wager on a slot machine.**

13 (b) Except as provided in subsection (c), a person who is less
14 than twenty-one (21) years of age may not be present in the area of
15 a racetrack or satellite facility where gambling games are
16 conducted.

17 (c) A person who is at least eighteen (18) years of age and who
18 is an employee of the racetrack may be present in the area of the
19 racetrack or satellite facility where gambling games are conducted.
20 However, an employee who is less than twenty-one (21) years of
21 age may not perform any function involving gambling by the
22 patrons.

23 **Sec. 3. Minimum and maximum wagers on gambling games**
24 **shall be determined by the licensee.**

25 **Sec. 4. The following may inspect a licensee's slot machine**
26 **facility at any time to determine if this article is being violated:**

27 (1) Employees of the commission.

28 (2) Officers of the state police department.

29 **Sec. 5. Employees of the commission have the right to be present**
30 **in a licensee's slot machine facility.**

31 **Sec. 6. A slot machine may be purchased or leased only from a**
32 **supplier licensed under this article.**

33 **Sec. 7. Except as permitted under this article, a licensee may not**
34 **permit any form of wagering in the licensee's slot machine facility.**

35 **Sec. 8. Wagers may be received only from a person present in a**
36 **licensee's slot machine facility. A person present in a licensee's slot**
37 **machine facility may not place or attempt to place a wager on**
38 **behalf of another person who is not present in the licensee's slot**
39 **machine facility.**

40 **Sec. 9. Wagering may not be conducted with money or other**
41 **negotiable currency.**

42 **Sec. 10. (a) A patron may make a wager at a slot machine**

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1 facility only by means of:

2 (1) a token; or

3 (2) an electronic card;

4 purchased from a licensee at the licensee's slot machine facility.

5 (b) A token or electronic card may be purchased by means of an
6 agreement under which a licensee extends credit to the patron.

7 Sec. 11. A token or electronic card described in section 10 of this
8 chapter may be used by a patron while the patron is present at the
9 slot machine facility only to make a wager on a slot machine
10 authorized under this article.

11 Sec. 12. A licensee may not install more than five hundred (500)
12 slot machines on each of the following:

13 (1) The premises of the licensee's racetrack.

14 (2) The premises of each satellite facility operated by the
15 licensee.

16 Chapter 8. Penalties

17 Sec. 1. This chapter applies only to gambling games authorized
18 under this article.

19 Sec. 2. A person who knowingly or intentionally aids, induces,
20 or causes a person who is:

21 (1) less than twenty-one (21) years of age; and

22 (2) not an employee of a licensee;

23 to enter or attempt to enter the licensee's slot machine facility
24 commits a Class A misdemeanor.

25 Sec. 3. A person who:

26 (1) is not an employee of a licensee;

27 (2) is less than twenty-one (21) years of age; and

28 (3) knowingly or intentionally enters the licensee's slot
29 machine facility;

30 commits a Class A misdemeanor.

31 Sec. 4. A person who knowingly or intentionally:

32 (1) makes a false statement on an application submitted under
33 this article;

34 (2) conducts a gambling game in a manner other than the
35 manner required under this article; or

36 (3) wagers or accepts a wager at a location other than a
37 licensee's slot machine facility;

38 commits a Class A misdemeanor.

39 Sec. 5. A person who knowingly or intentionally does any of the
40 following commits a Class D felony:

41 (1) Offers, promises, or gives anything of value or benefit:

42 (A) to a person who is connected with a licensee, including

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- 1 an officer or an employee of a licensee; and
- 2 (B) under an agreement to influence or with the intent to
- 3 influence:
- 4 (i) the actions of the person to whom the offer, promise,
- 5 or gift was made in order to affect or attempt to affect
- 6 the outcome of a gambling game; or
- 7 (ii) an official action of a commission member.
- 8 (2) Solicits, accepts, or receives a promise of anything of value
- 9 or benefit:
- 10 (A) while the person is connected with a licensee, including
- 11 as an officer or employee of a licensee; and
- 12 (B) under an agreement to influence or with the intent to
- 13 influence:
- 14 (i) the actions of the person to affect or attempt to affect
- 15 the outcome of a gambling game; or
- 16 (ii) an official action of a commission member.
- 17 (3) Uses or possesses with the intent to use a device to assist
- 18 in:
- 19 (A) projecting the outcome of a gambling game;
- 20 (B) analyzing the probability of the occurrence of an event
- 21 relating to a gambling game; or
- 22 (C) analyzing the strategy for playing or betting to be used
- 23 in a gambling game, except as permitted by the
- 24 commission.
- 25 (4) Cheats at a gambling game.
- 26 (5) Manufactures, sells, or distributes any game or device that
- 27 is intended to be used to violate this article.
- 28 (6) Alters or misrepresents the outcome of a gambling game
- 29 on which wagers have been made after the outcome is made
- 30 sure but before the outcome is revealed to the players.
- 31 (7) Places a bet on the outcome of a gambling game after
- 32 acquiring knowledge that:
- 33 (A) is not available to all players; and
- 34 (B) concerns the outcome of the gambling game that is the
- 35 subject of the bet.
- 36 (8) Aids a person in acquiring the knowledge described in
- 37 subdivision (7) to place a bet contingent on the outcome of a
- 38 gambling game.
- 39 (9) Claims, collects, takes, or attempts to claim, collect, or
- 40 take money or anything of value in or from a gambling game:
- 41 (A) with the intent to defraud; or
- 42 (B) without having made a wager contingent on winning a

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- 1 gambling game.
- 2 (10) Claims, collects, or takes an amount of money or a thing
- 3 of value that is of greater value than the amount won in a
- 4 gambling game.
- 5 (11) Uses a slug or a counterfeit token in a gambling game.
- 6 (12) Possesses a slug or a counterfeit token for use in a
- 7 gambling game.
- 8 (13) Possesses a key or device designed for:
- 9 (A) opening, entering, or affecting the operation of a
- 10 gambling game, a drop box, or an electronic or mechanical
- 11 device connected with the gambling game; or
- 12 (B) removing coins, tokens, or other contents of a gambling
- 13 game.
- 14 This subdivision does not apply to a licensee or an employee
- 15 of a licensee acting in the course of the employee's
- 16 employment.
- 17 (14) Possesses materials used to manufacture a slug, a
- 18 counterfeit token, or a device intended to be used in a manner
- 19 that violates this article.

20 Chapter 9. Employment

21 Sec. 1. (a) This section applies if a permit holder's employees are

22 covered under the terms of a collective bargaining agreement that

23 is in effect at the time a gambling game license is issued to the

24 permit holder under IC 4-35-5.

25 (b) If a permit holder has nonsupervisory employees whose

26 work is:

- 27 (1) directly related to:
- 28 (A) pari-mutuel terminal operations; or
- 29 (B) money room functions associated with pari-mutuel
- 30 wagering on horse racing; and
- 31 (2) covered under the terms of a collective bargaining
- 32 agreement;

33 the permit holder shall, subject to subsection (c), staff

34 nonsupervisory positions directly related to the operation of

35 gambling games under this article with employees whose work is

36 covered under the terms of a collective bargaining agreement.

37 (c) The employees described in subsection (b) must be qualified

38 to meet the licensing requirements of this article and any criteria

39 required by the commission in rules adopted under IC 4-22-2.

40 Sec. 2. The job classifications, job duties, wage rates, and

41 benefits of nonsupervisory positions related to gambling games

42 may be established by agreement of the parties to a collective

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1 **bargaining agreement or, in the absence of an agreement, by the**
 2 **permit holder.**

3 SECTION 13. IC 35-45-5-7 IS AMENDED TO READ AS
 4 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 7. This chapter does not
 5 apply to the publication or broadcast of an advertisement, a list of
 6 prizes, or other information concerning:

7 (1) pari-mutuel wagering on horse races or a lottery authorized by
 8 the law of any state; ~~or~~

9 (2) a game of chance operated in accordance with IC 4-32; **or**

10 **(3) a gambling game operated in accordance with IC 4-35.**

11 SECTION 14. IC 35-45-5-11 IS ADDED TO THE INDIANA
 12 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 2006]: **Sec. 11. This chapter does not apply**
 14 **to a gambling game authorized by IC 4-35.**

15 SECTION 15. [EFFECTIVE JULY 1, 2006] (a) **If the Indiana**
 16 **gaming commission determines that a permit holder (as defined in**
 17 **IC 4-35-2-5, as added by this act) has met the requirements of this**
 18 **act, the Indiana gaming commission shall adopt a resolution**
 19 **authorizing the permit holder to conduct gambling games under**
 20 **IC 4-35, as added by this act. The Indiana gaming commission may**
 21 **exercise any power necessary to implement this act under a**
 22 **resolution authorized under this SECTION.**

23 (b) **The Indiana gaming commission shall authorize a permit**
 24 **holder to conduct gambling games in a temporary facility upon the**
 25 **Indiana gaming commission's approval of the permit holder's**
 26 **plans for a permanent facility. Gambling games may be conducted**
 27 **in a temporary facility under this SECTION for not more than**
 28 **eighteen (18) months.**

29 (c) **This SECTION expires January 1, 2009.**

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